



4 February 2015

ASX RELEASE

SUCCESSFUL RESEARCH AND DEVELOPMENT CLAIM

Kalnorth Gold Mines Limited (ASX: KGM) ("the Company") is pleased to confirm a successful outcome after completing the required documentation and submission of a claim under the Federal Government's Research and Development (R&D) Tax Incentive Scheme ("Scheme") for the 2014 financial year.

The Directors of Kalnorth Gold Mines Limited are pleased to advise the Company has received a cash refund of \$533,785 pursuant to its R&D claim. Under the Scheme, the Company was entitled to a cash refund of 45 cents per dollar spent on eligible R&D expenditure. The Company's claim predominantly relates to costs incurred in relation to mine design and mining processes at the Lindsay's Gold Mine Project.

The Directors continue to focus on longer term plans to strengthen the Company's financial position and have advanced negotiations with its creditors to complement its plans.

Lijun Yang
Executive Director